

Macaulay Capital PLC
("Macaulay Capital" or the "Company")
Final Results

Macaulay Capital PLC (AQSE: MCAP), which was formed to originate and manage corporate transactions, raise funds from third parties, invest its own funds alongside those of external investors and to manage its investment portfolio with the aim of maximising its value, announces its final results for the year ended 31 December 2024.

Copies of the annual report will be sent to Shareholders shortly along with the Notice of the Company's Annual General Meeting which will take place on Friday 25 April 2025 at noon at 11 Laura Place, Bath, BA2 4BL.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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Chairman's Statement

Introduction

These annual accounts are for our second full year since our admission to trading on the Aquis Stock Exchange Growth Market in July 2022, when we raised a total of £2 million before costs, at 20p per share.

Our business is the provision of growth and replacement capital to established private companies, both directly and from investors whom we introduce. This helps these companies to finance their future development and facilitates partial exits for founder investors, as well as incentivising the management teams through equity ownership.

Financial results

2024 was a disappointing year for us as, whilst we completed two transactions for portfolio companies, we made no new company investments and also incurred abort costs on two potential investments that did not complete. Also, and perhaps most significantly when comparing 2024 with 2023, our revenues in 2023 included fees payable to us of £211,751 resulting from the sale of shares in one of our portfolio companies, Qualification Check Limited, whereas no such fees were payable in 2024. Overall and as a result of the above, our revenues in 2024 were lower at £277,447 than in the previous year (2023: £539,225), and we incurred losses of £500,474 (2023: £76,195).

Our perception of 2024 was that, other than a spike of activity in the run-up to the Autumn Budget as owners sought to avoid rumoured changes to CGT, deal activity was muted. Also, and more relevantly to us, some private investors did not have the confidence to make long-term investments in unquoted companies as uncertainty prevailed, firstly, ahead of the General Election and,

secondly, ahead of the Autumn Budget.

We were nevertheless able to agree terms on two excellent investment opportunities, on which we largely completed due diligence. However, neither completed - in the case of one, because the company was unable to get confirmation from HMRC that EIS relief would be available, and in the case of the other, because of the size of the investment required.

Within our existing portfolio, in October 2024, Vale Foods repaid the loan of £125,000 (plus interest) made by us to it in December 2023. At the same time and as part of a wider fund raising by Vale Foods, we invested £125,000 (i.e. the same amount) in a combination of 8% loan stock (£114,247) and shares (£10,753). The new shares were issued at a price 20% higher than that of our initial investment, which led to a small increase in the value of our initial holding.

Also, within our existing portfolio and in October 2024, we lent one of our portfolio companies £100,000 as part of a total loan of £200,000. The loan is repayable after six months with a 20% redemption premium.

Our costs were higher in 2024 (£781,361) than in 2023 (£613,501) due principally to the abort costs to which I referred earlier, which amounted to £125,377 plus VAT, and also to increases in payroll and office costs.

Our balance sheet remains strong and at 31 December 2024, our net assets stood at £2,136,337 (2023: £1,361,811), which included investments valued at £1,028,440 (2023: £900,000) and cash of £996,376 (2023: £338,484).

In December 2024, Harry and Tom Horner (the adult sons of the Company's Managing Director, David Horner) exercised a total of 5,100,000 of their unconditional founder warrants at 25p per share, raising £1,275,000, of which £500,000 was used to repay the loan previously made by David Horner to the Company (and as detailed in the announcement on 26 July 2024). Harry and Tom Horner retain a total of 900,000 unconditional founder warrants, also exercisable at 25p per share and which must be exercised by 31 December 2025, although the Company may require that some or all be exercised at any time before then.

In October 2024, David Horner purchased 250,000 existing shares in the market at 20p per share, and collectively the Horner family remains the Company's largest shareholder with a total of 7,650,000 shares (50.7%).

Portfolio companies

We have seven portfolio companies. Of these, we identified three - Vale Foods Holdings Limited, New Star Industries Limited and Kelda Showers Limited - and helped to agree the terms and structure of the transactions as well as arranging some or all of the investment.

Vale Foods Holdings Limited, which trades as Devonvale, is a manufacturer of flapjacks, cakes and cereal bars based in Honiton, Devon and was our first investee company. In May 2022, ahead of joining Aquis, we introduced £1 million of investment into Devonvale in a combination of ordinary shares (£86,000 for 40% of the equity) and unsecured loan notes (£914,000). Of the £1 million, the Group invested £200,000, which includes an equity interest (£17,200), alongside 8% loan stock (£182,800). In October 2024 and as noted earlier, we invested a further £125,000, in a combination of 8% loan stock (£114,247) and shares (£10,753).

New Star Industries Limited, which trades as Camloc, is an established Midlands-based precision engineering business which manufactures compression struts and dampers. This was our second transaction, in March 2023, and was a secondary buy-out from a private equity fund. We invested £700,000 out of a total fund raising of £1.55 million, giving us a 23.8% equity interest. Whilst we may look to sell down up to £500,000 of our investment to other investors at some point, 96.6 per cent. of our investment is in 8% loan stock, which means that we are earning a significant return on our investment.

Kelda Showers Limited is a company which has developed a disruptive water and energy-saving solution for the shower market. In June 2023, we arranged a transaction where we raised £940,000, all in ordinary shares and eligible for EIS, in which Kelda's management and existing shareholders participated, together with new investors. On this occasion, the Group did not itself invest as the investment was entirely in ordinary shares and the Group would not have been eligible for EIS relief. Kelda completed a small follow-on investment round in December 2024 of £350,000, which included some further investment from investors we had introduced previously.

In addition to the above three companies, we manage an investment portfolio of four private companies previously managed by Chelverton Asset Management Limited ("CAM"). Under the agreements with the relevant companies, we are responsible for monitoring their performance on behalf of investors introduced by CAM. This includes a board position, for which we are entitled to monthly management fees and potential performance fees on exit.

Strategy

We target smaller private companies with an enterprise value of £2-10 million, with proven businesses which have established niches or developed other defensible qualities that enable them to maintain and grow their activities over an extended period of time. We are thus different from many private equity funds which seek to invest in larger companies, in high growth sectors often with novel or disruptive business models.

In addition, because the sector that we target is of less interest to many investors and thus less competitive, we are able to make investments at attractive valuations. Where we are able to structure investments in a combination of redeemable loan stock and equity, investors can expect a yield on their investment, and for most of their capital to be repaid over time, whilst retaining a meaningful equity interest in the investee company. Alternatively, where appropriate and where EIS relief is available, we also arrange EIS investments in private companies.

We believe it important that, where we can, we co-invest alongside the investors we introduce as this not only demonstrates our belief in the investee companies but also aligns our interests with our co-investors and the investee companies.

We believe that investment in unquoted companies should be of interest to high-net-worth individuals and family offices, particularly in a time of rising inheritance tax assessments.

We have said this previously, and 2024 underlined its importance: a business imperative is to broaden the pool of potential investors for the investment opportunities that we identify. This is where we are focusing our marketing efforts.

The Autumn Budget included a number of changes to inheritance tax (IHT) and exemptions/reliefs to IHT, which, whilst unwelcome, should make our investment product more attractive to private investors seeking to protect their assets from IHT.

At present, Business Property Relief (BPR) gives 100 per cent relief from IHT for shares held in unquoted trading businesses (which includes AIM traded shares). As announced in the Autumn Budget, from April 2026, for shares held in unquoted trading businesses (other than AIM traded shares) the 100% relief will be available for the first £1 million of business property, with business property over £1 million qualifying for 50% (rather than 100% relief). For AIM traded shares, BPR will be available at 50%, rather than 100%.

At present, inherited pensions such as SIPPs fall outside a deceased person's estate for IHT purposes and are thus not subject to IHT. From April 2027 and as announced in the Autumn Budget, they will fall within a deceased person's estate and thus be subject to IHT.

Outlook

We have a number of promising investment opportunities in our pipeline. Our investment process is rigorous and time-consuming, and we are highly selective, but we hope to bring some of these opportunities to fruition in 2025.

We remain confident in our business model and that our strategy is one which will in time achieve good returns for us and our investors and look forward to the remainder of 2025.

Finally, and on behalf of the Board, I would like to thank our Shareholders, employees, advisers and our co-investors for their support.

Lindsay Mair

Chairman

4 March 2025

**Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2024**

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Income	4	277,447	539,225
Unrealised gains on investments		3,440	-
Other expenses	5/6	<u>(781,361)</u>	<u>(613,501)</u>
Loss on ordinary activities before interest and taxation		(500,474)	(74,276)
Interest expense		<u>-</u>	<u>(1,919)</u>
Loss on ordinary activities before taxation		(500,474)	(76,195)
Taxation	7	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		(500,474)	(76,195)
Loss per Ordinary share in pence	9	<u>(4.82)p</u>	<u>(0.76)p</u>

The notes form part of these financial statements.

**Consolidated Balance Sheet
as at 31 December 2024**

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	10	1,406	2,813
Investments at fair value through profit or loss	11	<u>1,028,440</u>	<u>900,000</u>
		1,029,846	902,813
Current assets			
Debtors: amounts falling due within one year	13	166,534	175,503
Cash at bank and in hand		<u>996,376</u>	<u>338,484</u>
		<u>1,162,910</u>	<u>513,987</u>
Creditors: amounts falling due within one year			
Other creditors and accruals	14	<u>(56,419)</u>	<u>(54,989)</u>
Net current assets		1,106,491	458,998
Net assets		2,136,337	1,361,811

Capital and reserves

Called up share capital	15	1,510,000	1,000,000
Share premium account	2.18	1,588,000	823,000
Profit and loss account		<u>(961,663)</u>	<u>(461,189)</u>
Shareholders' funds		<u>2,136,337</u>	<u>1,361,811</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 4 March 2025.

Lindsay Mair

Director

The notes form part of these financial statements.

**Company Balance Sheet
as at 31 December 2024**

	Notes	2024 £	2023 £
Fixed assets			
Investments in subsidiary	12	<u>521,357</u>	<u>1,000,000</u>
		521,357	1,000,000
Current assets			
Debtors: amounts falling due within one year	13	746,429	323,408
Cash at bank and in hand		<u>901,398</u>	<u>259,873</u>
		<u>1,647,827</u>	<u>583,281</u>
Creditors: amounts falling due within one year			
Other creditors and accruals	14	<u>(32,847)</u>	<u>(34,944)</u>
Net current assets		<u>1,614,980</u>	<u>548,337</u>
Net assets		<u>2,136,337</u>	<u>1,548,337</u>
Capital and reserves			
Called up share capital	15	1,510,000	1,000,000
Share premium account	2.18	1,588,000	823,000
Profit and loss account		<u>(961,663)</u>	<u>(274,663)</u>
Equity Shareholders' funds		<u>2,136,337</u>	<u>1,548,337</u>

The financial statements were approved and authorised for issue by the Board on 4 March 2025 and were signed on its behalf by

Lindsay Mair

Director

The notes form part of these financial statements.

**Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2024**

Total

	Called up share capital £	Share premium account £	Profit and loss account £	Equity Shareholders' Funds £
At 1 January 2024	1,000,000	823,000	(461,189)	1,361,811
Total comprehensive income for the period:				
Loss for the year	-	-	(500,474)	(500,474)
Transactions with Shareholders recorded directly to equity:				
Issue of Ordinary shares	510,000	765,000	-	1,275,000
At 31 December 2024	1,510,000	1,588,000	(961,663)	2,136,337
At 1 January 2023	1,000,000	823,000	(384,994)	1,438,006
Total comprehensive income for the period:				
Loss for the year	-	-	(76,195)	(76,195)
At 31 December 2023	1,000,000	823,000	(461,189)	1,361,811

The notes form part of these financial statements.

Company Statement of Changes in Equity for the Year Ended 31 December 2024

	Called up share capital £	Share premium account £	Profit and loss account £	Total Equity Shareholders' Funds £
At 1 January 2024	1,000,000	823,000	(274,663)	1,548,337
Total comprehensive income for the year:				
Loss for the year	-	-	(687,000)	(687,000)
Transactions with Shareholders recorded directly to equity:				
Issue of Ordinary shares	510,000	765,000	-	1,275,000
At 31 December 2024	1,510,000	1,588,000	(961,663)	2,136,337
At 1 January 2023	1,000,000	823,000	(102,645)	1,720,355
Total comprehensive income for the year:				
Loss for the year	-	-	(172,018)	(172,018)
At 31 December 2023	1,000,000	823,000	(274,663)	1,548,337

The notes form part of these financial statements.

Consolidated Cash Flow for the Year Ended 31 December 2024

	2024	2023
	£	£
Cash flows used in operating activities:		
Loss for the year	(500,474)	(76,195)
Adjusted for:		
Depreciation of assets	1,407	1,406
Unrealised gains on investments	(3,440)	-
Interest paid	-	1,919
Increase in debtors	(116,031)	(70,541)
Increase/(decrease) in creditors	1,430	(5,405)
Net cash used in operating activities	(617,108)	(148,816)
Cash from investing activities:		
Purchase of investments	-	(700,000)
Net cash used in investing activities	-	(700,000)
Cash flows from financing activities:		
Issue of Ordinary shares	1,275,000	-
Interest paid	-	(1,919)
Net cash generated from/(used in) financing activities	1,275,000	(1,919)
Net increase/(decrease)/ in cash and cash equivalents	657,892	(850,735)
Reconciliation of net cash flow to movement in net cash:		
Increase/(decrease) in cash	657,892	(850,735)
Net cash at beginning of year	338,484	1,189,219
Net cash at end of year	996,376	338,484

The notes form part of these financial statements.

Notes to the financial statements

Year ended 31 December 2024

1 General information

Macaulay Capital Plc was incorporated on 13 May 2022 for the purpose of acquiring Macaulay Management Limited ("MML"). MML was incorporated on 14 October 2021 and was formed to originate and manage corporate transactions, raise funds from third parties, invest the Group's own funds alongside those of external investors and to manage the Group's investment portfolio with the aim of maximising its value. Macaulay Capital Plc acquired the entire issued share capital of MML on 14 June 2022.

The Company is a public limited company, which is incorporated and registered in England and Wales (Registered number: 14105915).

The registered office address is The Office Suite, Den House, Den Promenade, Teignmouth, TQ14 8SY.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless

otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the Company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements incorporate the results of the Company and its subsidiary MML, (together the Group), as if they form a single entity using merger accounting. On the establishment of the Company as the ultimate parent of the Group, no change in ownership occurred and the entity was established for the purpose of acquiring MML. Therefore, the requirements of purchase method accounting did not apply.

The financial statements of the subsidiary are prepared for the year ended 31 December 2024 using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them are eliminated on consolidation.

2.3 Going concern

Company law requires the Directors to consider the appropriateness of the going concern basis when preparing the financial statements. At 31 December 2024, the Group had cash balances of approximately £1.0 million and has access to £0.2 million from the exercise of the Founder Warrants as detailed in Note 15. Having reviewed cash flow forecasts for the period to 31 December 2026, the Directors confirm that they consider that the going concern basis is appropriate. This review included consideration of the Group's financial position in respect of its cash flows and investment commitments (of which there are none of significance) and the current economic environment. In addition, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

The Directors believe that the Group has sufficient resources to continue in operational existence for a period of at least 12 months from the approval of the financial statements. Thus, they have adopted the going concern basis of accounting in preparing the annual financial statements.

2.4 Revenue recognition

Income from arrangement fees is recognised when the investment has been completed. Invoices for monitoring fees are recognised when services are performed in line with each agreement. Fixed returns on debt securities are recognised on a time-apportioned basis so as to reflect the effective yield. Performance exit fees are recognised when the investment has been sold. Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.5 Income

Income is attributable to the principal activities of the Group which are to manage corporate transactions, raise funds from third parties, invest the Group's own funds alongside those of external investors and to manage the Group's investment portfolio.

All of the reported revenue and operational results for the year derive from the Group's principal activities and its investments and are recognised on an accruals basis. The Group is not reliant on any one customer.

2.6 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the methods below:

Computer equipment - 4 years straight line.

2.7 Investment in subsidiaries

Investments in subsidiaries are measured at cost less any accumulated impairment in value.

2.8 Financial instruments

The Group only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities such as trade debtors, investments in equity and debt instruments and other debtors and creditors. The Company has adopted section 11 of FRS 102 on the recognition and measurement of financial instruments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

2.9 Investments

Investments are measured initially at cost and at subsequent reporting dates at fair value and derecognised at the trade date. Accordingly, as permitted by FRS 102, investments in shares and loan notes upon their initial recognition are designated as investments at fair value through profit or loss on the basis that they qualify as a group of assets managed, and whose performance is evaluated, on a fair value basis in accordance with a documented investment strategy. Investments at fair value through profit or loss are measured initially at transaction price (not adjusted for transaction costs) and at subsequent reporting dates at fair value. The changes in fair value of investments are recognised in profit or loss and are treated as unrealised holding gains or losses. Purchases and sales of investments are recognised/derecognised in the financial statements at the date of the transaction (trade date).

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.11 Cash and cash equivalents

Cash comprises cash at bank and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, should they arise, will be measured initially at fair value net of transaction costs, and will be measured subsequently at amortised cost using the effective interest method.

2.13 Pensions - contributory pension plan

The Group operates a contributory plan for its employees. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position.

2.14 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.

2.15 Dividend policy

The Company expects that returns to Shareholders will be delivered primarily through an appreciation in the price of the Ordinary Shares rather than by capital distribution through regular dividends.

2.16 Share based payments

In accordance with IFRS 2: Share Based Payments, an expense is recognised in the financial statements relating to the value of share options awarded under Share Option Scheme described in note 15.

The accounting charge is based on the fair value of each grant, measured at the grant date and is spread over the vesting period. The deemed expense over the vesting period is transferred to a Share Options Reserve.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Where they relate to timing differences in respect of interests in subsidiaries and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on

the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.18 Reserves

Share premium account

The share premium account represents the accumulated premium paid for shares issued above their nominal value less issue expenses. This is a reserve forming part of non-distributable reserves. The following items are taken to this reserve:

- costs associated with the issue of equity; and
- premium on the issue of shares.

Profit and loss account

This reserve holds the accumulation of profits and losses reduced by any dividends paid to Shareholders.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the Board to make judgements and estimates regarding the application of policies and affecting the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions mainly relate to the fair valuation of the fixed asset investments particularly unquoted investments. Estimates are based on historical experience and other assumptions that are considered reasonable under the current circumstances. The estimates and the assumptions are under continuous review with particular attention paid to the carrying value of the investments

Investments at fair value through profit or loss are regularly reviewed to ensure that the fair values are appropriately stated. Unquoted investments in shares and loan notes are valued in accordance with current International Private Equity and Venture Capital Valuation (IPEVC) Valuation Guidelines, which can be found on their website at www.privateequityvaluation.com, although this does rely on subjective estimates such as appropriate sector earnings or revenue multiples, forecast results of investee companies, asset values of investee companies and liquidity or marketability of the investments held.

4 Income

	Year to 31 December 2024	Year to 31 December 2023
	£	£
Arrangement fees	10,125	102,168
Monitoring fees	180,990	157,352
Loan note interest	70,789	56,717
Performance exit fees	-	211,751
Bank and other interest	15,543	11,237
	277,447	539,225

5 Other expenses

	Year to 31 December 2024	Year to 31 December 2023
	£	£
Administration and secretarial services	35,350	29,700
Auditor's remuneration for:		
- Audit services	18,900	18,000
- Non-audit services	3,745	4,045
Data and IT support	31,437	31,774
Legal & professional fees	190,744	69,561

Other expenses	104,080	101,346
	384,256	254,426

The Audit fee paid by the Company was £9,500 (2023: £9,500).

6 Directors' remuneration and employee costs

	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
Directors' fees	182,001	165,666
Director's healthcare insurance	5,904	8,618
Staff salaries	158,542	140,001
Pension contributions	1,136	-
Employer's national insurance	38,179	37,275
Directors and staff expenses and training	11,343	7,515
	397,105	359,075

The average number of employees for the Group was 4 (2023: 4).

7 Taxation

	Year to 31 December 2024	Year to 31 December 2023
	£	£
Analysis of charge in year		
Current tax	-	-
	-	-

Factors affecting current tax charge for the year

With effect from 1 April 2023 the rate of Corporation Tax increased to 25%. The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 25% (2023:23.52%). The differences are explained below:

	Year to 31 December 2024	Year to 31 December 2023
	£	£
Loss on ordinary activities	(500,474)	(76,195)
Standard tax at UK corporation tax rate of 25% (2023: 23.52%)		
Corporation tax	(125,119)	(17,921)
Ineligible depreciation	352	331
Expenses not deductible for tax purposes	-	-
Excess expenses for the year	124,767	17,590
Current tax charge for the year	-	-

Factors that may affect future tax charges

At 31 December 2024 the Company had unrecognised losses of £957,443 (2023: £458,376). A deferred tax asset is not recognised in respect of these losses as it is not probable that it will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

8 Parent company loss for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £687,000 (2023: £172,018).

9 Loss per share

The calculation of basic return per share is based on the return after tax and on a weighted average number of ordinary shares in issue in the period. Basic and diluted returns per share are the same as there are no dilutive elements on share capital.

Year to

Year to

	31 December 2024	31 December 2023
Loss after taxation attributable to Ordinary shareholders (£)	(500,474)	(76,195)
Weighted average Ordinary shares in issue	10,390,164	10,000,000
Loss per Ordinary share - basic and diluted (pence)	<u>(4.82)</u>	<u>(0.76)</u>

10 Tangible fixed assets

	31 December 2024 Group	31 December 2023 Group
	Computer equipment	Computer equipment
Cost or valuation	£	£
At 1 January 2024	5,626	5,626
At 31 December 2024	<u>5,626</u>	<u>5,626</u>
Depreciation		
At 1 January 2024	2,813	1,407
Charge for the year	1,407	1,406
At 31 December 2024	<u>4,220</u>	<u>2,813</u>
Net book value at 31 December 2024	<u>1,406</u>	<u>2,813</u>

11 Investments

			31 December 2024	31 December 2023
	Investment in loan notes	Investment in unlisted shares	Total	Total
£		£	£	£
Investments held at fair value through profit or loss				
Opening book cost	859,031	40,969	900,000	200,000
Opening valuation	859,031	40,969	900,000	200,000
Movements in the year:				
Purchases at cost	114,247	10,753	125,000	700,000
Movement in unrealised gains	-	3,440	3,440	-
Closing valuation	<u>973,278</u>	<u>55,162</u>	<u>1,028,440</u>	<u>900,000</u>
Closing book cost	<u>973,278</u>	<u>51,722</u>	<u>1,025,000</u>	<u>900,000</u>
Closing valuation	<u>973,278</u>	<u>55,162</u>	<u>1,028,440</u>	<u>900,000</u>

On 20 May 2022, the Group invested in a company in the bakery industry by purchasing 17,200 Ordinary B shares at £1 per share and issuing an unsecured loan note of £182,800 with 8% interest. Interest is received as it falls due, and the principal is to be repaid in full on 20 May 2027.

On 23 March 2023, the Group invested in an engineering company by purchasing 23,769 Ordinary B shares at £1 per share and issuing an unsecured loan note of £676,231 with 8% interest. Interest is received as it falls due, and the principal is to be repaid in full on 23 March 2029.

On 17 October 2024, the Group made a further investment in the aforementioned company in the bakery industry by purchasing 8,961 Ordinary shares at £1.20 per share and issuing an unsecured loan note of £114,247 with 8% interest. Interest is received as it falls due, and the principal is to be repaid in full on 20 May 2027.

The fair value of the investments is determined by using measures of value such as the price of recent transactions, earnings or revenue multiples, discounted cash flows and net assets. These are consistent with the IPEVC Valuation Guidelines

12 Investment in subsidiary undertaking

	December 2024	2023
	Company	Company
	£	£
At 1 January 2024	1,000,000	1,000,000
Impairment loss	(478,643)	-
Carrying value at 31 December 2024	<u>521,357</u>	<u>1,000,000</u>

At 31 December 2024 the Company held interests in the following subsidiary company:

	Country of incorporation	% of capital held	% share of voting rights	Nature of business
Macaulay Management Limited	England	100%	100%	Investment company

The registered address of the subsidiary is the same as the Company.

13 Debtors

	Group	Company
	31 December 2024	31 December 2024
	£	£
Due within one year:		
Trade debtors	36,597	-
Other debtors	102,063	-
Amounts due from subsidiary	-	736,316
Prepayments and accrued income	27,874	10,113
	<u>166,534</u>	<u>746,429</u>
	Group	Company
	31 December 2023	31 December 2023
	£	£
Due within one year:		
Trade debtors	27,600	-
Other debtors	126,820	-
Amounts due from subsidiary	-	314,316
Prepayments and accrued income	21,083	9,092
	<u>175,503</u>	<u>323,408</u>

Other debtors include a loan of £100,000 to an investee company which is repayable in April 2025 together with a 20% premium.

14 Creditors amounts falling due within one year

	Group	Company
	31 December 2024	31 December 2024
	£	£
Trade creditors	9,182	6,459
Other taxation and social security	16,814	8,117
Accruals and other creditors	30,423	18,271
	<u>56,419</u>	<u>32,847</u>
	Group	Company
	31 December 2023	31 December 2023
	£	£
Trade creditors	7,377	4,607
Other taxation and social security	11,389	6,624
Accruals and other creditors	36,223	23,713

54,989 34,944

15 Called up share capital

	Group and Company	
	31 December 2024	
	Number	£
Issued, allotted and fully paid:		
Ordinary shares of 10p each	<u>15,100,000</u>	<u>1,510,000</u>
	Group and Company	
	31 December 2023	
	Number	£
Issued, allotted and fully paid:		
Ordinary shares of 10p each	<u>10,000,000</u>	<u>1,000,000</u>

Ordinary shares have full voting rights with 1 vote per share, they are entitled to dividends when proposed and are due a capital distribution on a company exit event.

Share options

On 29 April 2024, the Company granted a total of 1,000,000 options over ordinary shares to directors, employees and consultants (other than David Horner). The options do not vest for two years (except in certain exceptional circumstances) and exercise is subject to a number of performance conditions. The exercise price of the options is 21.5p per share. The share-based payment charge for the year is nil.

Founder Warrants

On 3 December 2024, each of Harry and Tom Horner (David Horner's sons) exercised 2,550,000 Founder Warrants at 25p per share, leaving each of them with 450,000 Founder Warrants, which must be exercised by no later than 31 December 2025, also at 25p per share.

Harry and Tom Horner also own an aggregate of 5,000,000 Conditional Founder Warrants, exercisable at the higher of 25p per share and the mid-market price of an Ordinary Share at the time of exercise, conditional on the exercise of Share Options up to a maximum of the number of ordinary shares issued following the exercise of such Share Options.

16 Capital commitments

At 31 December 2024 and 2023 there were no capital commitments outstanding and no contingent liabilities.

17 Directors' interests and related party transactions (Group and Company)

The Company has taken advantage of the exemption in section 33 of FRS 102 from the requirement to disclose transactions with its wholly owned subsidiary on the grounds that consolidated financial statements are prepared by the Parent Company.

The Directors are considered to be the key management of the business. Their remuneration for the year is disclosed in note 6 of these financial statements.

The Directors and connected persons held the following interests in the voting shares of the Company at 31 December 2024:

Number of shares	% of total voting rights	
David Horner	500,000	3.3%
Mary Horner	50,000	0.4%
Harry Horner	3,550,000	23.5%
Tom Horner	3,550,000	23.5%
Lindsay Mair	125,000	

0.8%

For the purposes of the AQSE Growth Market Access Rulebook the parties referred to below

are related parties of the Company for the reasons set out in those paragraphs.

David Horner is a related party of the Company because he is a Director of the Company; and Mary Horner, who is David Horner's wife, is for that reason an associate of David Horner and thereby a related party to the Company.

Chelverton Asset Management ("CAM"), a company of which David Horner is a director and significant shareholder, is a related party of the Company because CAM is an associate of David Horner.

Each of Harry and Tom Horner is a related party of the Company for the following two reasons: each of them controls more than 10 per cent of the votes able to be cast on all or substantially all matters at general meetings of the Company; and each of them is a son of David Horner and, as a result, an associate of his and therefore is a related party.

As announced on 22 October 2024, David Horner purchased 250,000 shares at 20p per share taking his personal shareholding to 500,000 shares.

As announced on 26 July 2024, David Horner lent the Company £500,000 (the "Loan") for working capital and other purposes. The Loan was unsecured, was interest free and was repaid from the proceeds of the exercise of the Unconditional Founder Warrants.

As disclosed in note 15, on 3 December 2024, Harry and Tom Horner exercised 2,550,000 each of their Founder Warrants at a price of 25p per share.

Others

MML manages what was formerly the unquoted investment portfolio of CAM, which David Horner, a director of the Company, founded and of which he is a director.

In the year the Company's operations manager has spent a proportion of his time working with a private business owned by David Horner and his wife. Under this agreement, the private business paid the Group £36,000 (2023: £34,500), equivalent to the pro-rata cost of the operations manager's employment to the Group.

18 Financial instruments

The Group's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income.

The financial instruments of the Group fall into the following categories:

Group	At amortised cost	Assets at fair value through profit or loss	Total
31 December 2024	£	£	£
Assets			
Investments	-	1,028,440	1,028,440
Debtors	143,660	-	143,660
Cash and cash equivalents	996,376	-	996,376
	1,140,036	1,028,440	2,168,476
Liabilities			
Creditors	39,605	-	39,605
Total	39,605	-	39,605

Group	At amortised cost	Assets at fair value through profit or loss	Total
	£	£	£
31 December 2023			
Assets			
Investments	-	900,000	900,000
Debtors	152,600	-	152,600
Cash and cash equivalents	338,484	-	338,484
Total	491,084	900,000	1,391,084
Liabilities			
Creditors	43,600	-	43,600
Total	43,600	-	43,600

Company	At amortised cost	Assets at fair value through profit or loss	Total
	£	£	£
31 December 2024			
Assets			
Amounts due from subsidiary	736,316	-	736,316
Cash and cash equivalents	901,398	-	901,398
Total	1,637,714	-	1,637,714
Liabilities			
Creditors	22,903	-	22,903
Total	22,903	-	22,903

Company	At amortised cost	Assets at fair value through profit or loss	Total
	£	£	£
31 December 2023			
Assets			
Amounts due from subsidiary	314,316	-	314,316
Cash and cash equivalents	259,873	-	259,873
Total	574,189	-	574,189
Liabilities			
Creditors	28,320	-	28,320
Total	28,320	-	28,320

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